

STATEMENT OF PURPOSE

RS23246

The purposes of this legislation are to address provisions of the Idaho Bank Act that are unnecessarily burdensome to Idaho state-chartered banks, have been preempted by federal law, do not address current industry practices, or do not provide sufficient authority to the Department. Specifically, amendments are proposed to (1) eliminate the requirement that banks file stock transfer reports with the Department, (2) increase the stock transfer percentage allowed before regulatory approval is required, (3) eliminate the requirement that banks hold shareholder meetings only in certain months, (4) authorize banks to establish loan production offices in Idaho, (5) allow banks to determine the market value of "other real estate owned" by appropriate means other than an independent appraisal when a bank's investment in or purchase price of the property is equal to or less than two hundred fifty thousand dollars (\$250,000), (6) authorize the Department to issue orders directly to a bank or affected person requiring removal of a director, officer, or employee, prohibit employment of removed persons by any bank supervised by the Department, and impose greater civil money penalties, (7) authorize the Director to determine whether the use of "bank" in a corporate name is misleading and deceptive so as to cause harm to the public, and (8) revise interstate branching provisions to be consistent with federal law.

FISCAL NOTE

No fiscal impact.

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